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AND SRI LANKA

November 1, 2019

Via CM/ECF and Hand Delivery

The Honorable Sean H. Lane
United States Bankruptcy Court for the
Southern District of New York
One Bowling Green
Courtroom: 701
New York, NY 10004-1408

Via EC/ECF and E-mail

Jeffrey A. Rosenthal, Esquire
Lisa M. Schweitzer, Esquire
Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006

Re: BSG Resources Limited (in administration); Case No.: 19-11845 (SHL)

Dear Judge Lane and Counsel:

We write on behalf of William Callewaert and Malcolm Cohen, in their capacity as Joint Administrators and Foreign Representatives (together, the “Joint Administrators”) for the debtor BSG Resources Limited (in administration) (“BSGR”). This letter updates the progress made by the Joint Administrators in producing documents responsive to document requests (the “Vale Document Requests”) served by Vale S.A. (“Vale”).

Current Status of Production

On October 25, 2019, the Joint Administrators submitted a letter [Docket No. 70] (the “October 25 Letter”) which described the status of the Joint Administrators’ document production efforts during the month of October. This update is intended to supplement the status reported in the October 25 Letter:

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I. *Production.*

Since the last hearing in this matter on October 3, 2019, the Joint Administrators have completed the following production to Vale:

October 10, 2019 – JA0001473 to JA0006734 (836 documents; 5,262 pages) including, but not limited to, documents responsive to Document Request Nos. 1, 2, 3, 5, 10, 11, 14, 57, 58, 59, 60;

October 12, 2019 – JA0006735 to JA0008578 (189 documents; 1,844 pages) including, but not limited to, documents responsive to Document Request Nos. 1, 10 and 11;

October 16, 2019 – JA0008579 to JA0009054 (392 documents; 5,476 pages) including, but not limited to, documents responsive to Document Request No. 64;

October 18, 2019 – JA0009055 to JA0009572 (150 documents; 518 pages) including, but not limited to, documents responsive to Document Request Nos. 2, 3 and 5;

October 23, 2019 – JA0009573 to JA0011860 (554 documents; 2,288 pages) including, but not limited to, documents responsive to Document Request Nos. 2, 3, 9, 57, 59 and 60;

October 26, 2019 – JA0011861 to JA0018771 (1,294 documents; 6,618 pages) including, but not limited to, documents responsive to multiple Documents Requests; and

November 1, 2019 – JA0018772 to JA0021685 (393 documents; 2,179 pages) including, but not limited to, documents responsive to multiple Documents Requests.

II. *On-going Review.*

On August 27, 2019, the Joint Administrators submitted a letter to the Court outlining their process for gathering documents responsive to the Vale discovery requests. *See* Docket No. 45 (the “August 27 Letter”). The Joint Administrators and their counsel have collected, reviewed, and produced documents consistent with the process described in the August 27 Letter. The following information is intended to provide an overview of the Joint Administrators’ on-going document collection, review and production efforts:¹

¹ These figures do not account for duplicates or the adjustment for documents included in family groups which may eliminate redundant or duplicate documents. They are also subject to real-time adjustment as the review and production efforts are proceeding in earnest.

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- Population of all documents collected from data source locations: **3,767,021**²
- Number of documents identified as potentially responsive as a result of key word searches and reviewed for responsiveness: **77,807** (including families)³
- Upon initial responsiveness review by request, number of responsive documents: **35,770** (including families)⁴
- Upon review by counsel and the Joint Administrators, number of documents identified as responsive: **6,862 documents, or 7,474 documents including families**
- Number of documents produced to date: **3,719**
- Number of documents identified but withheld based on privilege: **1,622**

The Joint Administrators anticipated this review would be complete by the October 26 Deadline. However, for the reasons already described, it remains in process. The following provides an overview of the remaining review and production tasks (with no uninitiated material tasks in this phase of the production process):

- Of the 77,807 potentially responsive documents, remaining number of documents to be reviewed for relevance: **0**
- Number of documents reviewed for responsiveness currently undergoing redaction for GDPR personal data: **472**
- Number of documents reviewed for responsiveness and redacted for GDPR personal data currently under review for privilege: **7,734**

² The Joint Administrators' initial weekly reports to Vale's counsel identified this figure as approximately 1.2 million. There are a total of 3.7 million documents in the data sources identified in the August 27 Letter. This number is generated from the Joint Administrators' processing tool and is a more accurate representation of the population of documents collected from the data source locations. However, as some of those sources are internal to BDO or are the Joint Administrators' email boxes, they may potentially contain information, communications or other material relating to other matters. Those sources therefore needed to be culled to account for these unrelated materials. The figure of 1.2 million is the total number of documents in the document review platform, following de-duplication during data processing and some broad keywords run over the Joint Administrators' mailboxes in order to cull communications regarding other clients/purely internal matters.

³ This figure is the number of times that any document, plus family, is responsive to a search for any document request.

⁴ This figure is the number of times that any document, plus family, has been reviewed and coded as responsive to any document request.

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Based on the number of remaining documents to be reviewed and assuming a similar review rate to that experienced to date, **the Joint Administrators anticipate that this production will be complete on or before December 2, 2019.**⁵

III. *Third-Party Documents.*

As of October 17, 2019, the Joint Administrators have requested in writing (by courier and e-mail) that the following individuals or entities provide to the Joint Administrators any documents responsive to the Document Requests that such individual or entity maintains or possess: (i) Beny Steinmetz (directly and through Marc Bonnant), (ii) Dag Cramer (individually and on behalf of Onyx), (iii) David Clark, (iv) David Trafford, (v) Gustaf Bodin, (vi) Peter Driver, (vii) Asher Avidan, (viii) Nysco Management, (ix) The Balda Foundation, (x) Marc Struik, (xi) Yossie Tchelet and (xii) Sandra Merloni-Horemans.

The Joint Administrators have received responses to these requests, summarized as follows:

- *Beny Steinmetz.* On October 24, 2019, counsel to the Joint Administrators received a letter from Marc Bonnant advising that he only represents Mr. Steinmetz in respect of proceedings in Geneva and had no capacity to receive our letter. Thereafter, counsel to the Joint Administrators obtained an address that is purportedly Mr. Steinmetz' personal address and sent a renewed request for documents. Mr. Steinmetz has since confirmed receipt of email and responded that he will work to supply the materials "in a short time I hope." Counsel to the Joint Administrators were contacted by a consultant for Mr. Steinmetz who provided some documents. The consultant further advised that other documents maintained by Mr. Steinmetz are subject to attorney-client privilege. The Joint Administrators will review these documents on a preliminary basis and will provide a timeline for the production of responsive documents.
- *David Trafford.* On October 20, 2019, counsel to the Joint Administrators received an email from David Trafford advising that Mr. Trafford received and read the document request and that he does not have any Company documents in his possession. Mr. Trafford further advised that any Company-related correspondence he had was conducted through his BSGR email account.

⁵ As the review process is fluid, the Joint Administrators reserve the right to adjust this target and seek further extension of any anticipated or stated completion date.

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- *David Clark.* On October 15, 2019, counsel to the Joint Administrators received an email from David Clark advising, among other things, that he resigned as director of the Company in April 2014. Mr. Clark further advised that he had searched his personal records and has no records of BSGR that need to be disclosed. Finally, Mr. Clark advised that the only documents he has related to his personal involvement in the arbitration matters and were with two law firms (and are therefore privileged).
- *Gustaf Bodin.* On October 21, 2019, the Joint Administrators received a letter from Gustaf Bodin advising that all BSGR documents that he maintained were returned by him via email and courier to Peter Driver and were then destroyed by him and not stored on his server. The Joint Administrators' counsel replied by copy to Mr. Driver asking that his search for responsive documents include anything received from Mr. Bodin. On October 25, 2019, Mr. Driver advised Joint Administrators' counsel that all documents received from Mr. Bodin were scanned and saved on the BSGR servers.
- *Yossie Tchelet.* On October 21, 2019, the Joint Administrators received an email from Yossie Tchelet advising that he has copies of BSGR electronic files but, to the best of his knowledge, they are copies of original files located on BSGR servers. Mr. Tchelet questioned the extent of his obligation to produce these documents and further explained that he does not believe it is his role to sort them. The Joint Administrators' counsel replied explaining that the Discovery Order does not govern Mr. Tchelet but rather the Joint Administrators, and again requested that Mr. Tchelet produce documents. On October 24, Mr. Tchelet responded that he is willing to provide hard drives and USB sticks which would contain his BSGR files. The Joint Administrators are trying to make arrangements to collect these materials.
- *Peter Driver.* On October 25, 2019, Mr. Driver advised Joint Administrators' counsel that, to the best of his knowledge, all documents requested of him are stored on BSGR servers or have been emailed to them. Mr. Driver further stated that he has no separate electronic or hard copies documents.
- *Dag Cramer.* On October 30, 2019, Mr. Cramer advised Joint Administrators' counsel that he will provide requested documents. He has not provided any documents to date.
- *Nysco Management.* On October 30, 2019, Joint Administrators' counsel received letter from Marc Bonnant, a director of Nysco, advising that he is checking issues of privilege and confidentiality and will respond "at the soonest possible."

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- *Asher Avidan.* On October 2, 2019, Mr. Avidan confirmed by email to Joint Administrators' counsel that he has no responsive documents. Mr. Avidan further advised that he left BSGR in June 2016 and his email account has been blocked since.

V. Conclusion.

As evidenced above, the Joint Administrators' production process is on-going, proceeding in good faith, and substantially complete. By separate letter to the Court, the Joint Administrators advised that they anticipate this phase of their document production will be complete on or before December 2, 2019. In the meantime, the Joint Administrators will continue to provide progress reports to Vale and continue their efforts to obtain responsive documents from relevant third parties.

Very truly yours,

/s/ Frederick D. Hyman
Frederick D. (Rick) Hyman